

MISSION

THIS DATE  
**CANCELLED**  
F.C.C.  
OFFICE OF THE SECRETARY

et No. 96-23

APR 8 1996

100-443886-1

**6. CONCLUSIONS**

CC Docket No. 96-23

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Pursuant to the Commission's Notice of Proposed Rulemaking in the above-captioned proceeding,<sup>1</sup> the National Exchange Carrier Association, Inc. (NECA),<sup>2</sup> hereby submits the following Comments.

The Commission has asked parties to comment on its proposals to eliminate thirteen reporting requirements and to reduce the frequency of six other reporting requirements. These reporting requirements are variously applicable to interexchange carriers, exchange carriers, NECA and other entities. In these Comments, NECA addresses two reports that it files: FCC Form 492 and pooling reports. In both cases, NECA believes Commission oversight responsibilities can be fulfilled while also reducing industry filing requirements.

<sup>1</sup> Revision of Filing Requirements, CC Docket No. 96-23, Notice of Proposed Rulemaking, 61 Fed. Reg. 10522 (March 14, 1996) (Notice).

<sup>2</sup> NECA is a not-for-profit, membership association, serving over 1400 local exchange carrier (EC) study areas. NECA members include all local exchange carriers in the United States, Puerto Rico, the U.S. Virgin Islands and Micronesia. NECA is responsible, under Subpart G of Part 69 of the Commission's rules, for activities including the preparation of access charge tariffs on behalf of all telephone companies that do not file separate tariffs, collection and distribution of access charge revenues, the administration of the Universal Service and Lifeline Assistance programs, and the administration of the interstate Telecommunications Relay Service fund. See 47 C.F.R. § 69.603 and § 64.604

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In 1986, the Commission established reporting requirements for the purpose of monitoring carriers' interstate rate of return.<sup>3</sup> The Commission concluded that it needed quarterly filings to adequately monitor rates of return for the entire regulated industry. Many commenters, however, asserted at that time that quarterly earnings reports would be unnecessarily burdensome, costly to produce and inconsistent with the enforcement period being monitored.<sup>4</sup> A number of respondents suggested filing on an annual or even biennial basis.

In its current Notice, the Commission states that it believes it can reduce reporting requirements and still maintain sufficient monitoring of rate of return companies. The vast majority of the industry is now under price cap or alternative forms of regulation. Rate of return companies only reflect 7% of access lines<sup>5</sup> and 6.3% of revenues.<sup>6</sup> NECA agrees reporting should be reduced and strongly supports the Commission's proposal to reduce the filing of FCC Form 492 to an annual basis.

The Federal-State Joint Board in CC Docket No. 80-286 recommended the establishment of an ongoing monitoring program to allow the Commission to report access charge plan results to

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<sup>3</sup> Amendment of Part 65, Interstate Rate of Return Prescription: Procedures and Methodologies to Establish Reporting Requirements, CC Docket No. 86-127, Report and Order, 1 FCC Rcd 952 (1986).

<sup>4</sup> Id.

<sup>5</sup> See 1995 Universal Service Fund submission of 1994 Study Results by the National Exchange Carrier Association (filed September 29, 1995).

<sup>6</sup> See Amendment of Parts 65 and 69 of the Commission's Rules to Reform the Interstate Rate of Return Represcription and Enforcement Processes, Notice of Proposed Rulemaking, 7 FCC Rcd 4688 at ¶ 14 (1992).

Congress on a regular basis.<sup>7</sup> A series of quarterly reports, to start in September 1987 and continue for a period of five years was recommended.<sup>8</sup> NECA pooling was one of the eight categories to be monitored. In accordance with CC Docket No. 87-339,<sup>9</sup> NECA began filing pooling expense and revenue information with the Commission each month, along with monthly minutes of use (MOU) data.

On August 10, 1995, the Commission released a Public Notice in which it reduced the MOU filing requirement to a quarterly basis.<sup>10</sup> After informal discussions with the Commission, it was agreed that NECA would also file its monthly pooling reports on a quarterly basis to match the revised MOU filing schedule. Each quarterly filing now consists of three monthly reports.

NECA proposes that the Commission reduce reporting requirements even further by eliminating the pool earnings reporting requirement altogether. FCC Form 492 contains all of the essential information that is provided in the monthly pooling reports: Total Common Line Revenues, Total Expenses and Taxes, Operating Income (Net Return), Rate Base (Average Net Investment) and Rate of Return percentage. The pooling report only provides additional subcategory data. NECA

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<sup>7</sup> MTS and WATS Market Structure, Amendments of Part 67 of the Commission's Rules and Establishment of a Federal-State Joint Board, CC Docket Nos. 78-72, 80-286 and 86-297, Recommended Decision and Order, 52 Fed. Reg. 19896 (May 28, 1987).

<sup>8</sup> MTS and WATS Market Structure, Amendments of Part 67 of the Commission's Rules and Establishment of a Federal-State Joint Board, and Establishment of Program to Monitor the Impact of Joint Board Decisions, CC Docket Nos. 78-72, 80-286 and 86-297, Recommended Decision and Order, 2 FCC Rcd 3298 (1987).

<sup>9</sup> Establishment of a Program to Monitor the Impact of Joint Board Decisions, CC Docket No. 87-339, Order, 2 FCC Rcd 5266 (1987).

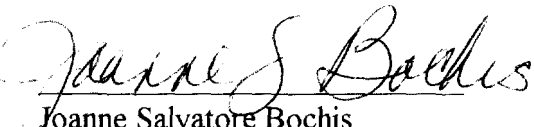
<sup>10</sup> Common Carrier Eliminates and Reduces Reporting Requirements, FCC No. 55228, Public Notice, released August 10, 1995.

believes the FCC Form 492 reports provide the Commission the level of detail needed for earnings monitoring. If the Commission still believes that additional data is needed, however, NECA proposes that pooling reports should be made on a semi-annual basis.

In conclusion, NECA supports the Commission's efforts to further reduce reporting burdens. The Commission has identified numerous reports which it has eliminated or reduced in reporting frequency. NECA urges the Commission to adopt the reporting reductions described herein, and to investigate further reduction and/or elimination of reporting requirements.

Respectfully submitted,

NATIONAL EXCHANGE CARRIER  
ASSOCIATION, INC.


By:   
Joanne Salvatore Bochis  
100 South Jefferson Road  
Whippany, New Jersey 07981

Its Attorney

April 8, 1996

## CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Comments was served this 8th day of April 1996, by mailing copies thereof by United States Mail, first class postage paid, or by hand delivery, to the persons listed below.

By:   
Jennifer H. Keuch

The following parties were served:

William F. Caton\*  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554  
(Original and four copies)

Nasir Khilji\*  
Industry Analysis Division  
Federal Communications Commission  
2033 M Street, N.W., Room 500F  
Washington, D.C. 20554

International Transcription Service (ITS)\*  
2100 M Street, N.W., Suite 140  
Washington, D.C. 20037

\* Hand Delivered